

**MINUTES
STATE OF WASHINGTON
ENERGY FACILITY SITE EVALUATION COUNCIL**

June 10, 2002 - Regular Meeting
325 Plum Street, Suite 308
Olympia, Washington - 1:30 p.m.

ITEM 1: CALL TO ORDER

CHAIR LUCE: The Monday, June 10, meeting of the Energy Facility Site Evaluation Council will come to order.

ITEM 2: ROLL CALL

EFSEC Council Members

Community, Trade and Economic Development
Department of Ecology
Department of Fish & Wildlife
Department of Natural Resources
Utilities and Transportation Commission
Walla Walla County
Chair

Dick Fryhling
Chuck Carelli
Jenene Fenton
Tony Ifie
Jeffrey Showman
Pam Ray
Jim Luce

MR. MILLS: I note the presence of the Chair Jim Luce, and there is a quorum.

CHAIR LUCE: Thank you.

EFSEC Staff and Counsel

Allen Fiksdal
Irina Makarow
Mariah Laamb

Mike Mills
Michelle Elling
Robert Fallis, AAG, EFSEC

EFSEC Guests

Mike Torpey, BP Cherry Point
Laura Schinnell, Energy Northwest
Chuck Lean - Wallula Generation
Darrel Peebles, Newport Northwest
Mike Dunning, CFE-Wallula
Tom Schneider, Chehalis Power
Alan Harger - Department of Transportation

Karen McGaffey, Perkins Coie
Katy Chaney, URS Corp.
Cindy Custer, BPA
Curt Deal, Carpenter's Union
Brian Carpenter, Rebound
Steven Bates, Tractebel Power Inc.
Phil Sinclair - BP Cherry Point

ITEM 3: APPROVAL OF MINUTES

MR. FIKSDAL: Mr. Chair, may I just interject a little bit. We have some misidentification of the location for the meeting, and so we may have some people that may be coming at a little later time. I don't know if you want to wait a five or more minutes or go ahead, and then if people show up, go back.

CHAIR LUCE: Those things happen. We have four different sets of meetings to approve, so it seems to me like we might be able to dispatch through those meeting minutes in the next five to ten minutes. So we have the minutes before us. Are there any comments with respect to the minutes of October 22, 2001 special meeting?

MS. FENTON: Are we going to motion this individually or all together?

CHAIR LUCE: Individually is fine. It will take a little longer.

MS. FENTON: Okay. I move to approve the minutes of October 22.

MR. CARELLI: Second.

CHAIR LUCE: Any discussion. Call for the question. All in favor say aye.

COUNCIL MEMBERS: Aye.

CHAIR LUCE: The meeting of March 13, 2002 regular meeting, any comments from members of the Council with respect to the minutes of that meeting? Yes, sir.

MR. IFIE: I didn't see a copy of those minutes in my packet of March.

MS. LAAMB: They were sent electronically, but I have them here as well.

CHAIR LUCE: Did you get the other minutes for the other meetings, Mr. Ifie?

MR. IFIE: Yes, I did.

CHAIR LUCE: Why don't we pass on that, give you a chance to take a look at it, and then we will come back to that. So we'll withhold action on March 13 until Council Members who haven't received the March 11 have had a chance to look at that. Are there any comments on the May, 14 2002 special meeting?

MR. CARELLI: I move we approve the May 14, 2002 minutes.

MS. FENTON: Second.

CHAIR LUCE: Any questions, comments? Question called. All in favor?

COUNCIL MEMBERS: Aye.

CHAIR LUCE: The meeting minutes are approved. Meeting of May 24, 2002 special meeting. Counsel Members had an opportunity to review those minutes? Do I hear a motion to approve those minutes?

MR. IFIE: So moved.

MR. CARELLI: Second.

CHAIR LUCE: And a motion to second. Any discussion from the Council? Hearing no discussion, do I have a call for question? All in favor say I.

COUNCIL MEMBERS: Aye.

CHAIR LUCE: Do you want to take a minute to take a look at the March 13 minutes?

MR. MILLS: March 11 minutes.

CHAIR LUCE: At the March 11. We did have March 11. Have you had a chance to review the minutes of March 11?

MR. IFIE: Yes.

CHAIR LUCE: Any comments by Council Members? Questions? Do I hear a motion to approve?

MR. CARELLI: So moved.

MR. IFIE: Second.

CHAIR LUCE: There's been a motion and second to approve the minutes of the March 11 regular meeting. Any discussion? Hearing no discussion, call for question. All in favor say aye.

COUNCIL MEMBERS: Aye.

CHAIR LUCE: Thank you very much. The minutes have been approved.

ITEM 4: ADOPTION OF APPROVED AGENDA

CHAIR LUCE: The next item on the agenda is the adoption of the proposed agenda. Have Council Members had an opportunity to review the proposed agenda? Any corrections or additions? Staff, any comments with respect to the agenda, any additions, deletions?

ITEM 5: SUMAS GENERATION FACILITY - APPLICATION 99-1

<i>Status Report</i>	<i>Allen Fiksdal, EFSEC Manager</i>
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CHAIR LUCE: All right. The first item on the agenda is the Sumas 2 Generation Facility Application No. 99-1. A status report by Allen Fiksdal, our manager.

MR. FIKSDAL: Thank you, Mr. Chair. On Friday the Council received three motions for reconsideration of Order No. 768. One was from Constance Hoag, the second was from Whatcom County, City of Abbotsford, and Counsel for the Environment, and the third was from the Northwest Energy Coalition, Washington Environmental Council, Whatcom County, and Counsel for the Environment. We have sent you e-mail copies of these, and we passed out to some of you the hard copies of a letter issued today to all the parties giving them the opportunity to reply to these motions. All replies must be into our office by 5:00 p.m. this Friday, which is the 14th.

CHAIR LUCE: Thank you. Any comment from the Council? Any thoughts?

MR. FIKSDAL: As soon as we get any replies in, we will give them to you as fast as we can by e-mail and then by hard copy.

CHAIR LUCE: Do we have any time line with respect to when we might entertain those motions for consideration?

MR. FIKSDAL: I've been checking with Council Members and setting up a schedule now.

CHAIR LUCE: Thank you. And you will get word out as soon as possible.

MR. FIKSDAL: Yes.

CHAIR LUCE: Any comments from the public with respect to this issue item?

ITEM 6: BP CHERRY POINT

<i>Application for Site Certification Submittal</i>	<i>Mike Torpey, BP Cherry Point</i>
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CHAIR LUCE: Moving ahead, the next issue item is an information item, BP Cherry Point Application for Site Certification submittal. Mike, are you here?

MR. TORPEY: Yes.

CHAIR LUCE: Would you like to come forward and offer any comment that you feel might be appropriate.

MR. TORPEY: Thank you. I'm very pleased to be here today if for no other reason than the application is off my desk and on Michelle's. I'm fairly happy about not giving you a date, a specific date when it would be turned in except for I would have it in before the next Council meeting. So I'm glad to tell you I'm well ahead of schedule, and I had it on Michelle's desk at 11:30 this morning. So we're well on our way.

I want to talk a little bit about the project. Again, the project is substantially similar to the project that we turned in on the potential site study except for just three things. We've got air-cooling to minimize water resources, had a slight change in location just to minimize the wetlands impact, and we have eliminated emergency fuel, so there will be no emergency fuel in this. Our primary objectives now are better defined than they were when we started.

We've got four objectives. One is to provide reliable and efficient cost effective power to the refinery, to provide efficient and cost effective power to the region, to minimize reliance on outside resources of electrical power and for the refinery, and to minimize the impacts on the environment. The project is essentially three natural gas turbines. We have heat recovery steam generators and electric generators on each, one extraction steam turbine with an electric generator, air cooling, co-generation with 337,000 pounds an hour of high pressure steam and 449,000 pounds an hour of intermediate pressure steam going to the refinery. Reduction in refinery emissions, air emissions and essentially steam for future refinery projects.

The location is still in the area of a heavy impact industrial zone. It's all BP property ownership. We have transmission access within one mile of the refinery, and it's all on BP property. The refinery infrastructure was I think managed well in this process making it a little more complicated to develop the overall project. We've got the existing natural gas line, existing water line. We're utilizing refinery services. We utilize the wastewater treatment facility for the refinery. We utilize the sanitary sewer system. We will send electrical power directly to the refinery, and we've got lands for wetland mitigation.

The impacts are essentially refinery air emissions amount to a net reduction overall of around 74 tons per year, recognizing this is not one-to-one, but more than enough NOx upset with not enough particulate, but overall a reduction of 74 tons. The net water consumption is 58,000 gallons per day which is much, much less than the four to six million gallons per day of a water cooled plant, so 58 is within the noise the refinery typically takes I would say. There's a slightly perceivable, may be slightly perceivable noise change at only two locations. One is right across the street at an intersection, which is just a very, very small change and might be noticeable. The other is near Birch Bay State Park, which is again in a laboratory setting, may be perceived as a change. There should be no air emissions above the air ambient source impact levels according to our modeling. No change in perceived visibility either in Canada or in the U.S. Wetland mitigation or the proposal we have for wetland mitigation actually results in a net improvement in wetland functions and values in the area of the project. And utilizing refinery infrastructure should minimize the impact on public services, utilizing the emergency tank, the fire team, the medical services, spill plans, emergency preparedness plans, and things like that, as well as potentially taking operators from the refinery and utilizing them in the plant itself. Well, that's our project.

CHAIR LUCE: Congratulations on having it moved to this end.

MR. TORPEY: Thank you. I feel good about it. Contrary to popular belief I was not up all night Saturday night putting this together. I was up all night as chaperone to a senior party at the high school.

CHAIR LUCE: You did bring a certified or cashier's check with you.

MR. TORPEY: Yes, I did.

MR. FIKSDAL: I just want to say that we did receive the application and here it is. We will be distributing the application later this week to Council Members and to all the different people. We did receive the check of \$45,000 required by RCW 80.50, and so we are in receipt of your application.

MR. TORPEY: Great. Thank you.

CHAIR LUCE: Congratulations. Observations from the Council? The pendulum swings. Our roller coaster ride continues.

ITEM 7: WALLULA POWER PROJECT

<i>Status Report</i>	<i>Irina Makarow, EFSEC Staff</i>
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CHAIR LUCE: The next matter before the Council was an information item on the Wallula Power Project. Irina, an informational item, a status report.

MS. MAKAROW: Allen.

MR. FIKSDAL: Wallula. Thank you very much. Irina is suffering from just being back from vacation.

The Council had a prehearing conference on June 4th to hear the settlement agreements by Utilities and Transportation Commission, Fish and Wildlife, Department of Community Trade and Economic Development, and Department of Transportation. Since that time Wallula Generation has submitted a stipulation between the Counsel for the Environment and Wallula Generation that we received, and we have I believe sent out to each of you. Our schedule for the hearings for the project is going to be in Walla Walla starting on July 16 going through the 18th.

CHAIR LUCE: Thank you. Comments from Council Members? Hearing no comments, we will move onto the next matter, the Satsop Combustion Turbine Project.

ITEM 8: SATSOP COMBUSTION TURBINE PROJECT

<i>Phase I Progress Report</i>	<i>Laura Schinnell, Energy Northwest</i>
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CHAIR LUCE: Laura Schinnell.

MS. SCHINNELL: Thank you. Construction on our Phase I project continues to remain slightly ahead of schedule. We've now completed the major foundation forms, our rebar and our concrete work, so that will substantially reduce the number of trucks we're seeing for concrete.

Underground piping is also now complete. Underground duct bank and grounding are also complete, so we're now beginning the actual installation of electrical cable. Transformer installation is continuing. The smaller internals to the plant, if you will, transformers are being set. We did have a contract issued for the main switchyard transformers, and that work should begin fairly shortly. Our Combustion Turbine Generator No. 1 was received on the site on Friday, so we are going to begin the installation process for combustion turbines itself. We've also been erecting the steel for the heat recovery steam generator. That's structural steel there. We have begun erection of the utility racks, and the installation of cooling towers actually began. We've also begun installation of the condensers, and we are also in the process of installing and constructing the raw water tank. Precipitation for the last month was actually about .4 inches below normal, so the weather was a benefit to us in that regard. On Friday we have invited the EFSEC staff to come visit the project because there are lots of new tinker toys out there, if you will, and we would

certainly like to see any of the Council Members. I will invite you, any of the Council Members who would also like to come. That's set to start at two o'clock on Friday. And are there any questions?

CHAIR LUCE: Jenene.

MS. FENTON: I forgot. When is Satsop expected to be operating?

MS. SCHINNELL: The commercial operation date is July 7, 2003.

MS. FENTON: Have you started a plan for greenhouse gas mitigation?

MS. SCHINNELL: I don't honestly know whether we have or not. I know we've had discussions about it, but I'm not sure where we are with the actual plan.

MS. FENTON: When we were on site on one of the last visits that we had the storm water retention pond was leaking. How was that resolved?

MS. SCHINNELL: Grays Harbor PDA which owns that retention pond and dam, once the weather warmed up, hired a contractor to come in, finish clearing the brush off the face of the dam. And they have actually re-concreted the face, and that concrete is probably somewhere around 4 inches thick. It looks like they did a very nice job on that, and it's hard to tell whether there's any problems still because with some of the rainfall we've had the level hasn't risen significantly.

MS. FENTON: So the leak was associated with the berm?

MS. SCHINNELL: What the dam or the typical dam that we put in was earthen, and we had shot rock sitting over the earth and then the concrete over the face of the shot rock. What we think happened is some of the invading free roots came in, broke the concrete enough, so that water could pass through into the shot rock, and, of course, the gaps in the shot rock because we never saw it significantly, one, and, number two, we never saw any effects downstream that could have reached the Chehalis River. The water that eventually drains from a similar area was always clear.

MS. FENTON: Are you doing the hydrostatic testing sometime this month?

MS. SCHINNELL: Probably we will not start that this month. What it looks like we are going to be doing is at least our proposal right now is to collect all of that water into the circulating water pipe, the smaller flushes, if you will, or hydro test, and then hold the water in the circulating water pipe which is 90 inches in diameter. That's the big pipe I think you have all seen. And then at that point we are going to try to reuse it as much as possible, since it's still relatively pure water. So we will try to use it on the next flush or hydrostatic test and then put it back. So we are going to try and reuse it, and so it looks like the first discharge if we even do discharge it will be August is what we are looking at right now.

MS. FENTON: Where do you store the water that you reuse in the test?

MS. SCHINNELL: In the circulating water pipe. It's a 90-inch diameter pipe that runs next to the cooling tower, and that will take a substantial amount of the water that we would use for the hydro test for the piping system, so it can sit in that very large pipe for long periods of time.

MS. FENTON: There was one other issue. We talked a lot about traffic the last couple of meetings, but one of the meetings that I attended talked about low flow and concerns about that. I haven't heard anything since then. What's the current status of the low flow and discussions with Ecology?

MS. SCHINNELL: On the low flow issue we've had two meetings with the Department of Ecology on they believe it is a bright line in terms of the base flow readings, and we have accepted that that is the bright line. What we are discussing now is how will it be interpreted, enforced, and partly because they don't enforce it in Western Washington, and in Eastern Washington it's a voluntary program. So we are working through some of the details as to even though it's a bright line, do they take into account any of the accuracy of the gauge? And is it just a point in time or is

it a 24-hour average, which is what they use over in Eastern Washington? So we are working on how do you put it into practice. The discussions appear to be going towards using a 24-hour average, and once your average is below base flow, you use a 24-hour running average. That's the way you can restart operations. And the 24-hour average takes into account the fact the gauge can go up and down. The 24-hour running average takes into account that once it starts to rain in Western Washington the rivers tend to rise rapidly, so you could be above base flow within a couple to three hours. So that's what we're looking at right now. Ecology appears to favor that type of an enforcement plan, and then they're also going to consider whether they take into account the accuracy of the gauge.

MS. FENTON: Does the gauge operate 24 months? Is that one that is closed during the winter months?

MS. SCHINNELL: Well, it's not closed necessarily. Once the river gets to a certain level the accuracy goes out the window. So basically that's why they're saying that above a certain flow, and I believe they said 4,000 cfs that that's what the accuracy of the gauge is. But they're not going to actually shut it down is my understanding unless for some reason we reach a flood stage that would cause it not to operate.

MS. FENTON: During periods that potentially could have low flow the gauge is operational during the winter?

MS. SCHINNELL: Yes. In other words, actually there are two gauges. One's a staff gauge and that picks up the low flow, and then the other one is some kind of an acoustical flow meter that picks up the higher flows. So there are actually two gauges that they use to determine the flow or will be using to determine the flow.

MS. FENTON: Thank you.

CHAIR LUCE: Other questions from Council Members? Let's move forward with the second matter. Actually Phase I and Phase II are sort of separate. Any comments from members of the audience, public? Maybe, Allen, are you on tap here for the Phase II review process?

MR. FIKSDAL: Yes, thank you.

CHAIR LUCE: Thank you, Laura. I appreciate that very much.

<i>Phase II Review Process</i>	<i>Allen Fiksdal, EFSEC Manager</i>
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MR. FIKSDAL: As you recall, I sent out a SEPA Mitigated Determination of Non-significance for the project with a 14-day comment period. That comment period ended last Friday, and I've given each of you a package of comments that we received. I haven't yet had a chance to read them. I will be looking at them this week. According to SEPA the responsible official looks at the comments, determines if there needs to be a change in the determination or not, and can answer the comments if wished. It's pretty open ended on what the agency can do with these comments. I need to do is look at the comments, see what the responses were, and then figure out what I am going to do.

MS. FENTON: So you don't have a requirement to respond to them?

MR. FIKSDAL: No, I don't believe there is a requirement to respond. I can't tell you anything more about the comments because I haven't had a chance to look at them.

CHAIR LUCE: It looks like about eight or nine comments.

MR. FIKSDAL: Yes, I haven't counted them. I had them copied and distributed them to today. With that package is a facts sheet for the NPDES permit, this is really just an administrative draft. It says draft on it. This is not the draft for comment. There could be several changes. It's for your information only. There will most likely be changes to this before we put it out as a draft.

MS. FENTON: When's the target for date of distribution or do you have one yet?

MS. ELLING: I think we will hopefully be able to issue it about July 15.

MS. FENTON: And that document reflects everything we've seen so far?

MR. FIKSDAL: This NPDES permit?

MS. FENTON: As far as any of the agreements, that kind of stuff, nothing has changed?

MR. FIKSDAL: There may be some smaller changes that may take place. I don't quite know how to classify it yet, so we will get back to you as soon as we can tell you exactly what it is. We are working with the Applicant on some issues, and so I can't tell you exactly the way it's going to come out.

MS. FENTON: But you will when you figure it out.

MR. FIKSDAL: When we figure it out, we will tell you for sure.

MS. FENTON: Okay.

MR. FIKSDAL: There's not a right answer to this. I know it's a quiz, right?

MS. FENTON: No, it's just in this particular application we have several documents that have changed in there. It's not like one document I can look at, so I just want to make sure my assumption from the last one are right.

MR. FIKSDAL: Probably 99 percent of what's in here is the same.

MS. FENTON: The same.

MR. FIKSDAL: There might be some tweaking of a few little things.

CHAIR LUCE: Is there any other comments from the Council Members with respect to the Phase II review process at this point? Any comments from the public?

ITEM 9: CHEHALIS GENERATION FACILITY

<i>Progress Report</i>	<i>Tom Schneider, Chehalis Power</i>
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CHAIR LUCE: All right. Let's move ahead to the next project, an information item. Tom, you're here for Chehalis?

MR. SCHNEIDER: Yes, sir.

CHAIR LUCE: Come forward and have a seat.

MR. SCHNEIDER: Thank you, Mr. Chairman. We're happy to report to the Council that our project is moving along very well. The engineering is 93.7 percent complete to date as of the end of May, and construction is 22.8 percent complete. Overall project is 62.6 percent complete. We're pretty much right on schedule as a matter of fact.

As far as an update on what's happening on the site, we presently started erecting the air condensing structural steel, the air condenser structural steel. And we started erecting the steam turbine structural steel for the building as well. The BPA switchyard has started installing the equipment, electrical equipment, and they're finished with their underground at this point. And the No. 2 HRSG panels have been started being erected as well. No. 1 is well on the way, almost complete. Hydro test for fuel oil tanks is started as well and the step-up transformer firewall have been poured. The work continuing in the period is with the service building interior work continuing. The building and pipe rack foundations are continuing. That's all the concrete work that's left to pour as a matter of fact.

Our underground piping and drains are continuing, and erection of the No. 1 Exterior Panels for our HRSIGs are continuing as well. Erection of the demineralizer water tank is also continuing. Actually it was completed just a week ago. Work completed for the period, recently we have

finished all of our underground duct bank work, so we are essentially out of the ground at this point.

The site is leveling off, and it looks very workable at this point for our above ground to start. Grounding grid for the switchyard is also complete, and erection of the two fuel oil tanks or the construction of the side of them is completed. The steam turbine foundation is complete, and we've started or we have completed the hydro test on the raw water tank as well. I mentioned that we are on schedule, and we do have the opportunity for possibly improving our schedule.

We have not formally announced it yet, but it does appear that we may be able to receive most of our major equipment on an accelerated basis, so we may see our way to an earlier schedule for completion. Right now that completion for commercial is still November 1, 2003. We are working on water rights through West Water Research, LLC, and we have obtained an option for some water rights. I've not got a total yet, but we are reviewing other sources of water rights as well. Environmental monitoring has been taking place as normal, and we have had no incident reported in this past period at all, and I think that pretty well describes where we are. Any questions?

CHAIR LUCE: Thank you, sir. Any questions from the Council? Yes, Ms. Fenton..

MS. FENTON: How are you doing on your safety record?

MR. SCHNEIDER: Well, we're below our target, industry target, and we're just under 2.0, which is still good. We have had one incident in the past about a month ago. There was one individual that was injured on site but not too serious, and he's back to work. And that's all since we've started. We've had over 200,000 man-hours spent with no lost time accidents. So we were under 1.0 at that point. Now we're just under 2.0 and look forward to getting back under 1.0.

CHAIR LUCE: Maybe it's a question of how your average is, sort of like a water gauge. Okay. Thank you.

MR. SCHNEIDER: You're welcome.

ITEM 10: ENERGY NORTHWEST COLUMBIA GENERATING STATION & WNP-1/4

<i>Columbia Operations/Security</i>	<i>Mike Mills, EFSEC</i>
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CHAIR LUCE: The next item on the agenda is Energy Northwest Columbia Generating Station WNP-1/4. Security report on Columbia operations, Mike, you have some comments for us.

MR. MILLS: Yes, and I'd refer you to the green sheet for a handout. Columbia Generating Station Plant Status. John Arbuckle prepared this and forwarded it to staff. The plant has been on line for 106 days. On May 31st they reduced from 100 to 65 percent for load following, and John indicated today that presently they're at 45 percent. So they've been asked to reduce their power again by Bonneville Power Administration.

In terms of the security update, I believe we heard probably a month ago from Energy Northwest that the Nuclear Regulatory Commission had in fact issued orders that I guess I would say increased or heightened even further the security measures at all the nuclear plants in the United States, including Columbia Generating Station. John indicates that they're about 40 percent complete with installation, and that should be just one of the vehicle barriers. You will recall that's a double ring, and they're working on the first ring right now. And I will have a chance to see that. I am going to be over at the site tomorrow afternoon. I will have a chance to take a look at that and report better on how that's going, what it's going to look like.

I believe we heard from them about the Visitor's Center, and they may be asking for some other facility type kind of changes or requests to the site certification agreement, so I will be able to talk

with Energy Northwest staff about that and bring that back to the Council. I think Item No. 3 would be of particular interest to the Council. John reported that the NRC has in fact followed up on their earlier yellow finding on emergency preparedness involving the preparedness of the leasing personnel particularly at the WNP-1/4 sites. That was a fairly significant finding, referred to as a yellow finding.

CHAIR LUCE: Now we have green.

MR. MILLS: It was this color, a very serious. And Energy Northwest as they reported went through a number of measures to make improvements in terms of notifying personnel, in terms of training personnel that would be at the WNP-1/4 sites. The Nuclear Regulatory Commission inspected those improvements, and John indicated that last week they have indicated that the NRC will issue a finding reducing the significance of the yellow finding to a green finding, which is good. So I think that's encouraging. As you recall the Council was involved in the discussion, and it was one of the points we had highlighted, particularly former member Ellen Haars was concerned, and the Council will follow through on that, and Energy Northwest did take steps, and I believe that they've corrected the situation. That program or those measures will now be inspected by the Nuclear Regulatory Commission just as part of their ongoing inspection program, so I am aware that they have at least annual inspections of the Emergency Preparedness program.

The fourth item is the potential sale of the station. I believe we've heard that Energy Northwest Board of Directors and Executive Board both in concert were considering the future of the Columbia Generating Station and had issued or were beginning a study of the future of the Columbia Generating Station. I believe as late as last week they redefined what it was they were going to do and issued a press release that said the station will not be sold nor will the operation of the plant be turned over to a third party. There is a study effort underway, and I believe that was covered in one of the handouts, and we'll continue to provide information to the Council on that. I think the Board, the Executive Board and the Board of Directors, are continuing to look at ways to improve Energy Northwest and they feel that this study, in looking at some of the areas they've highlighted, is continuing management initiative of the company. But I think they have come out with a fairly strong statement that they're not looking at selling the station or having the operation turned over to another party at this point in time.

I will be at the site tomorrow afternoon conducting an environmental audit with the Department of Ecology, and as I indicated I will be able to visually observe certainly the dry cask storage and the security improvements that are being made. And that concludes my report.

CHAIR LUCE: Questions from the Council? Mr. Showman.

MR. SHOWMAN: Does the U.S. Department of Energy's movement on Yucca Mountain have any implications for Energy Northwest? Are they storing spent fuel awaiting shipment to Yucca Mountain, at least a part of that?

MR. MILLS: They're storing fuel in the spent fuel pool inside Columbia Generating Station at this point in time. The dry cask effort that I spoke about will kick-in when the pool is full or about full, they will move fuel rods from that pool out of the water to basically concrete canisters at the site. And that's the plan for Energy Northwest and a number of utilities in the nation right now to be able to store used fuel.

MR. SHOWMAN: Indefinitely?

MR. MILLS: Indefinitely or until such time as Yucca Mountain was in fact approved and was a repository. As we've heard Energy Northwest is fairly far down the cue because they're a newer plant. So many of the other plants in the nation would actually ship to the Yucca Mountain first when it becomes an approved facility. So they will have the exhaustive capacity of the pool in the

near future. I believe it is 2010 or sooner than that, in 2004 or 2005 time frame, and so they are presently constructing a storage site on-site. And we have been monitoring that for about two years, their effort in terms of licensing and things that they had to go through. Again, I would be happy to share the reports with any of the members that need more information.

MR. SHOWMAN: That's excellent. Thanks.

CHAIR LUCE: My understanding is this. The editorial in the Tacoma News Tribune today and I heard the story as well, that about 13 percent of the nuclear waste at Hanford would over time be stored in the Yucca Mountain, so I think that's the number that sticks in my head. I am not sure. I guess I just had one question. I note the presence of a representative from Bonneville Power Administration here. Has Bonneville consulted with Energy Northwest with respect to the issue of whether the CGS would be sold or operated by a third party?

MS. CUSTER: They have been talking to them, but I don't know what they decided; although, I think there was some concern about being sold, but they have been talking.

<i>WNP-1/4 Site Restoration</i>	<i>Jim Luce, EFSEC Chair</i>
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CHAIR LUCE: So discussions are still underway on that. Thank you. All right. I guess I'm on for WNP-1/4 site restoration. Turn over the green sheet. As I understand it, now that the yellow finding is out of the way or primarily resolved, Energy Northwest and Bonneville and maybe others, maybe DOE -- I suppose DOE won't be actively involved here, but they might be --who knows? -- are going to put together an updated plan for restoration and then get it to us defining the level of restoration, funding, development schedule, and defining immediate, within two years, actions to secure/stabilize sites. I don't really have any comment on that. I will wait to see what the proposal is, and then we will have some discussion revolving around these four issues. And I am sure they will be very productive discussions. We will bear in mind the need to keep ongoing rates as low possible consistent with sound business principles, one of which is the contractual obligation. I know that we'll have positive discussions with Bonneville and Energy Northwest about that.

ITEM 11: CHAIR'S REPORT

<i>Standards Group</i>	<i>Jim Luce, EFSEC Chair</i>
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CHAIR LUCE: My report is brief. There is a Standards Group meeting from 8:00 to 1:00 I believe this Friday. I think it's 8:00 to 1:00 at the Priory. I can't remember all of the issues that are on tap. Habitat is one of them. Socioeconomic is another. Need for power I think has been postponed, and I am not sure exactly what the others are. There is an e-mail this morning that went out to everybody that's been part of the Standards Group, and those who haven't been part that are interested, please see us and we will forward that to you by e-mail.

Any comments, questions from the Council Members with respect to Friday's meeting or other meetings concerning the Standards Group?

MR. CARELLI: Has that date changed?

MS. FENTON: No.

CHAIR LUCE: No. Although, they keep coming awfully early for people who have to drive from Vancouver. I think next time we'll start one at 7:00 and see whether I can really get up early. Let's see. I guess that's it with respect to the Standards group. Now the retreat is an important matter that is being handled by Mr. Jeffrey Showman, our distinguished colleague from the UTC;

and Charles Carelli, our distinguished member from Ecology; and Jenene Fenton who has graciously volunteered from the Department of Fish and Wildlife too.

MS. FENTON: I'm not a distinguished member? Just checking.

CHAIR LUCE: Our distinguished member from Washington Fish and Wildlife.

MS. FENTON: Thank you.

<i>Retreat</i>	<i>Jim Luce, EFSEC Chair</i>
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CHAIR LUCE: So, Gentlemen, Lady, what are we doing about this retreat?

MS. FENTON: Last I heard you had a problem with availability of several people that you wanted to be present, and I thought you turned it over to staff to come up with time schedules for their availability was my recollection when I so graciously volunteered to assist once you figured out someone was going to be available for us. That was kind of my memory.

MR. CARELLI: That was my understanding as well.

CHAIR LUCE: Why doesn't that surprise me? My recollection was slightly different, but in any case we need to start working again on that. So maybe we should have a meeting of the retreat of the retreat committee. Are you going to have any time?

MR. SHOWMAN: No, not for a month, probably in July.

MR. CARELLI: We meet in July?

CHAIR LUCE: All right. I will have Mariah schedule a meeting for us to sit down and then we can go forward in this. We have a lot of stakeholders out in the audience. We're putting together obviously one --Yes, Mariah.

MS. LAAMB: I actually have received information from some of the individuals who we were asking to be on the schedule, and I have received some Council Member schedules, but I would also like if there are those who haven't sent me their schedules that they could do that, so I could try to consolidate those. We may not be able to schedule it until after the middle of July because we have other things going in the middle of July.

MR. FIKSDAL: Or August.

MS. LAAMB: August a lot of people are on vacation, so I have asked you for a June, July, and August. We may be going into September, so I may have to ask everyone for September just because it looks like things are pretty packed up for July and August. And obviously it's not going to happen in June so, at least I can't imagine it will happen this month. We can get together and go over that again as far as what I have collected from peoples' calendars.

ITEM 12: OTHER

CHAIR LUCE: Anything listed under the item of other? Is there any other to come before the Council? Anything that the members of the public would like to raise for the Council?

ITEM 13: ADJOURN

CHAIR LUCE: Hearing no other, we're adjourned.
(Whereupon, the meeting was adjourned at 2:17 p.m.)